GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this prospectus in connection with the Company and its business. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"AC" alternating current, a movement of electric charge that

undergoes periodic reverses in direction

"ATP" automatic train protection, a system of railway signalling

designed to prevent overspeeding and collisions of trains

"BSI" British Standard Institute

"converter" a device that converts electric current from one kind to

another

"DC" direct current, a movement of electric charge in one

direction only

"EMC" electromagnetic compatibility, a branch of electrical

sciences that studies the unintentional generation, propagation and reception of electromagnetical energy with reference to the unwanted effects that such an energy may

induce

"EMU" electric multiple unit, a series of cars which are equipped

with electric motors and pick up power from overhead wires or from a third rail. EMUs may be coupled together to

produce longer trains

"ERP" enterprise resource planning

"GTO" gate turnoff thyristor, a semiconductor device that can be

turned off by a negative signal on the gate terminal

"IEC/TC9" International Electrotechnical Commission/Technical

Committee No.9: Electrical Equipment and Systems for

Railways

"km" kilometre

"km/h" kilometre per hour

"LKJ-93 type" second generation train operation safety equipment in the

PRC

"LKJ2000 type" third generation train operation safety equipment in the

PRC

GLOSSARY OF TECHNICAL TERMS

"low inductance busbar" bar-shaped conductor made of copper plates that are used

to reduce power circuit inductance and transient voltage

"locomotive works" plants where locomotives are assembled (機車廠)

"maglev train" magnetically levitated train

"MRPII" manufacturing resource planning

"passenger car works" plants where passenger cars are assembled (客車廠)

"PCB" printed circuit board

"rail vehicles" locomotives, passenger cars, freight cars, EMUs and large

railway maintenance vehicles

"rail vehicle manufacturers

(主機廠)"

plants where rail vehicles are assembled, including locomotive works, passenger car works, freight car works and large railway maintenance vehicle manufacturers

"train-borne electrical systems"

includes train power converters, auxiliary power supply equipment and control systems (excluding motors), train operation safety equipment and electrical systems for large

railway maintenance vehicles

"train operation safety

equipment"

equipment that ensures train operation safety by preventing overspeeding and collision of trains and recording operator's identity and his operating instructions

(excluding locomotive signalling systems)

"train power converter" train electric power converter for traction system

"SIV" static inverter

"SMT" surface-mounting technology

"sq.m." square metre